

November 22, 2019

Re: T-Mobile and Sprint Pledged Commitments in Texas

The purpose of this Letter Agreement is to memorialize (i) the cooperation of T-Mobile US, Inc. (“T-Mobile”) and Sprint Corporation (“Sprint”), and collectively with T-Mobile, (the “Parties”) with the Office of Attorney General of Texas (“OAG”) in an investigation of the proposed merger of T-Mobile and Sprint, and (ii) the Parties’ pledged commitments in the State of Texas regarding the merger that will be enforceable by the Texas Attorney General.

Factual Summary

On April 29, 2018, the Parties announced that they had entered into a definitive agreement for an all-stock transaction in which T-Mobile and Sprint would combine to form the New T-Mobile (the “Merger”). The OAG has been a participant in an investigation by the U.S. Department of Justice (“DOJ”) into the proposed Merger and sought relevant information from the Parties regarding New T-Mobile’s proposed business plan and strategic development for the State of Texas. To resolve concerns posed by the OAG regarding the Merger, the Parties have proposed, and the OAG has accepted, a series of commitments set forth below that will be enforceable by the OAG under the laws of Texas. This Letter Agreement memorializes those commitments.

Relief

WHEREAS, the OAG acknowledges that the Parties have provided certain commitments (“Federal Commitments”) to the Federal Communications Commission (“FCC”) and DOJ with respect to the Merger, for which the Parties are subject to the enforcement authority of the FCC and DOJ;

WHEREAS, the Parties have cooperated promptly and fully with the OAG in connection with this Letter Agreement;

WHEREAS, the OAG has accepted the terms of this Letter Agreement and the terms and conditions contained in any final judgment entered in *United States of America et al. v. Deutsche Telekom AG et al.*, No. 1:19-cv-02232-TJK (D.D.C. 2019) as a complete and final resolution of any and all pending and future claims by the OAG with respect to the proposed transaction, as set forth herein; and

THEREFORE, the Parties agree to the following commitments regarding the State of Texas (“Commitments”) which shall be binding on the Parties and their Affiliates, successors, and assigns:

1. Network Build Commitment: Statewide and Rural¹

- (a) Within three (3) years of closing, New T-Mobile will deploy a 5G network in Texas with:
 - i. At least 75% of the Texas Population and 74% of the Texas Rural Population having access to download speeds equal to or greater than 100 Mbps, as verified by the FCC Nationwide Drive Test; and
 - ii. At least 83% of the Texas Population and 76% of the Texas Rural Population having access to download speeds equal to or greater than 50 Mbps, as verified by the FCC Nationwide Drive Test.
- (b) Within six (6) years of closing, New T-Mobile will deploy a 5G network in Texas with:
 - i. At least 93% of the Texas Population and 78% of the Texas Rural Population having access to download speeds equal to or greater than 100 Mbps, as verified by the FCC Nationwide Drive Test; and
 - ii. At least 94% of the Texas Population and 87% of the Texas Rural Population having access to download speeds equal to or greater than 50 Mbps, as verified by the FCC Nationwide Drive Test.

2. In-Home Broadband Commitment

Within three (3) years of the Closing Date, New T-Mobile will Market its In-Home Broadband Service product to at least 740,000 households in the state of Texas, of which at least 172,000 will be rural households.

Within six (6) years of the Closing Date, New T-Mobile will Market its In-Home Broadband Service product to at least 2,500,000 households in the state of Texas, of which at least 460,000 will be rural households.

3. Mobile Plan Price Commitment

For at least five (5) years following the Closing Date, New T-Mobile will make available to all Texas customers of New T-Mobile the following Rate Plans:

- (a) Unlimited talk, text, and 2GB of data for \$15 per month;

^[1] The population percentages and household marketing numbers described in section 1, represent 95% of (i) the New T-Mobile network plan's percentage of coverage for such populations at the specified speeds and time period and (ii) the planned number of Marketed households for such time periods. For example, per the network plan, at 5 years, the New T-Mobile 5G network will provide 100 Mbps speeds to at least 97% of the Texas Population. Therefore, the Letter Agreement commits New T-Mobile to providing such speeds to at least 92% ($0.95 \times 97\% = 92\%$) of the Texas Population at 5 years.

- (b) Unlimited talk, text, and 5GB of data for \$25 per month; and

The Rate Plans will be available throughout Texas. Further, the Rate Plans must be given equal and non-discriminatory access to the New T-Mobile network as compared to similar New T-Mobile plans.

Additionally, for at least five (5) years following the Closing Date, New T-Mobile will make available the same or better smartphone consumer rate plans as T-Mobile plans offered on November 22, 2019, and as Sprint plans offered on February 4, 2019, excluding limited time promotions and payment-related discounts.

These smartphone rate plans may only be adjusted to pass through cost increases in taxes, fees, surcharges, and third-party charges, or modifications or discontinuance of third-party benefits, as these increased costs and changes are not within the control of New T-Mobile.

The Mobile Plan Price Commitments in this section do not survive the expiration of the term of this Letter Agreement.

4. Broadband Access for Education Commitment

- (a) Texas will receive the full Texas-specific benefits of the New T-Mobile nationwide broadband Internet access program that provides free connectivity and equipment to households with school-age children (the “Educational Broadband Access Program”), provided that all litigant states in the multi-state litigation, *State of New York et al v. Deutsche Telekom AG et al.*, No. 1:19-cv-05434 (S.D.N.Y. 2019) (the “SDNY Litigation”) settle such litigation.
- (b) Notwithstanding paragraph (a) above, in the event that at any time during the term of this Letter Agreement New T-Mobile offers a more limited version of the Educational Broadband Access Program in any State, New T-Mobile will also provide such version of the Educational Broadband Access Program in Texas.

5. Jobs Commitment

All T-Mobile and Sprint retail employees in Texas in good standing as of the Closing Date will receive an offer of substantially similar employment with the New T-Mobile.

6. Verification of Performance Under this Agreement

For each of the Commitments above, New T-Mobile will provide the OAG with any additional Texas-specific results and data produced as part of any reporting provided to the FCC or DOJ as part of the Federal Commitments verification processes, including the Texas-specific results of the independent drive tests conducted at years three (3) and six (6) pursuant to the Federal Commitments (“Verification Material”) within sixty (60) days of providing the Verification Material to the FCC and DOJ.

7. Voluntary Payment

New T-Mobile shall make a voluntary payment to the OAG in the amount of one million six hundred fifty thousand dollars (\$1,650,000) not later than thirty (30) days after execution of this Letter Agreement. No portion of any payment under the judgment shall be deemed a payment of any fine, penalty, or punitive assessment.

8. Enforceability of Terms Under this Agreement

The terms of this Letter Agreement are subject to the authority of the Office of Attorney General of Texas and the OAG may take action as provided under the laws of the State of Texas to enforce the terms of this Letter Agreement, provided, however, that: (a) the OAG shall promptly notify the Parties of any alleged breach of any term of this Letter Agreement or any failure to meet any commitment under this Letter Agreement; and (b) the Parties shall have up to one-hundred and eighty (180) days from OAG's notification of such alleged breach or failure to remedy such alleged breach or failure of the Commitment in Sections 1 through 2 and thirty (30) days for Commitments in Sections 3 through 5 before OAG may take enforcement action.

9. Voluntary Contribution

The Merger Parties agree that, in the event that an enforcement action determines that the New T-Mobile has materially failed to meet any of Commitments, New T-Mobile will make a voluntary contribution (the "Voluntary Contribution") to the OAG within sixty (60) days of such determination. Any payment made under this Assurance shall be held, along with any interest thereon, in trust by the Attorney General to be used for reimbursement of actual costs and attorneys' fees, the payment of restitution, if any, and for future consumer fraud or antitrust enforcement actions, or to support consumer education and public welfare. The Voluntary Contribution will be in lieu of the OAG taking any other civil action pertaining to the subject matter of this Assurance. The amount of the Voluntary Contribution will be calculated in accordance with this section:

- (a) 3-Year Commitments. In the event that the enforcement action determines that New T-Mobile has materially failed to meet any of the Commitments specified in Section 1.a., the applicable Voluntary Contribution shall be calculated as follows:
 - i. The amount of the Voluntary Contribution shall be calculated based on the largest percentage by which New T-Mobile missed its 3-Year Commitment);
 - ii. Where a Commitment has multiple elements, the enforcement action shall determine the percentage by which New T-Mobile has fallen short under each element and calculate the Voluntary Contribution based on the highest calculated percentage missed of any element;

- iii. The following contribution scale will apply:

Missed Percentage	Voluntary Contribution
>0%-5%	\$10,000,000
>5%-10%	\$20,000,000
>10%-25%	\$50,000,000
>25%-50%	\$75,000,000
>50%	\$100,000,000

- (b) 6-Year Commitments. In the event that the enforcement action determines that New T-Mobile has failed to meet any of the Commitments specified in Section 1.b., the Voluntary Contribution for the 6-Year Commitments shall be calculated as follows:

- i. The amount of the Voluntary Contribution shall be calculated based on the largest percentage by which New T-Mobile missed its 6-Year Commitment in Section 1.b., each constituting an individual commitment;
- ii. Where a Commitment has multiple elements, the enforcement action shall determine the percentage by which New T-Mobile has fallen short under each element and calculate the Voluntary Contribution based on the highest calculated percentage missed of any element;
- iii. The following contribution scale shall apply:

Missed Percentage	Voluntary Contribution
>0%-5%	\$20,000,000
>5%-10%	\$40,000,000
>10%-25%	\$75,000,000
>25%-50%	\$100,000,000
>50%	\$125,000,000

10. Enforcement of Other Commitments

In the event that the enforcement action determines that New T-Mobile has materially failed to meet the Commitments described in Sections 2 through 5, the applicable Voluntary Contribution for each such Commitment shall be limited to a single payment of twenty-five million dollars (\$25,000,000). Notwithstanding the foregoing, at the OAG's discretion, the OAG may seek specific performance of the Mobile Plan Price Commitment set forth in Section 3, in lieu of a voluntary contribution.

11. Excessive Contribution Prevention

Notwithstanding any other provision in this Section, after accounting for the first twenty-five million dollars (\$25,000,000), the amount of any Voluntary Contribution will be reduced, on a dollar-for-dollar basis, by any amount paid by New T-Mobile pursuant to any failure to meet the Federal Commitments.

The Parties expressly waive any argument that amounts set out in this section are penalties barred by law.

12. Jurisdiction

The Parties expressly consent to jurisdiction of the state court of Texas in Travis County, Texas, and waive any challenge to jurisdiction or venue of the court. The Parties agree that nothing in this Letter Agreement shall be construed to waive the state's immunity from suit and Texas shall not be liable for any damages, fees, or costs incurred by New T-Mobile any of their Affiliates, successors, employees, shareholders, officers, directors, agents and/or assigns, individually or collectively, during enforcement of the Letter Agreement.

13. Multi-state Commitments

Texas will be able to avail itself of any Multi-state Commitments granted to those other states that are party to *State of New York et al v. Deutsche Telekom AG et al*, in settlement of that litigation, if those terms are more favorable than those agreed to herein as reasonably determined by the OAG.

14. Force Majeure Event

The Parties shall not be considered in breach of this Letter Agreement to the extent that performance of their obligations is prevented by force majeure events beyond the Parties' reasonable control, including but not limited to war, rebellion, hurricanes and other major storms, earthquakes, fires, terrorism, strikes, riots, insurrections, civil commotions, blockades, law or order of any federal government body exercising jurisdiction over the Parties, interference or failures of state or local governmental authorities within Texas, significant interruptions in the supply chain, or acts of God.

15. Applicability

This Letter Agreement shall be binding upon:

T-Mobile and New T-Mobile and/or any of their Affiliates, successors, agents and/or assigns, individually or collectively, with respect to T-Mobile's and New T-Mobile's commitments and/or obligations.

16. Non-assignment

None of the commitments and/or obligations assumed under this Letter Agreement may be assigned, otherwise conveyed or modified without the express prior written consent of Office of Attorney General of Texas.

17. Term

The Term of this Letter Agreement shall be six (6) years from the Closing Date.

18. Survival

All Parties' rights and obligations granted herein survive the expiration of this agreement unless expressly and specifically terminated by a provision herein.

19. Definitions

For purposes of this Letter Agreement, capitalized terms used herein are defined as follows:

- (a) "Affiliate" is defined as any entity, individual, firm, or corporation, directly or indirectly controlling, controlled by, or under common control with the Merger Companies.
- (b) "Closing Date" is defined as the Closing Date of the Merger.
- (c) "FCC Nationwide Drive Test" is defined as the drive test described in the Letter from Nancy J. Victory, Counsel for T-Mobile US, Inc., to Marlene H. Dortch, Secretary, Federal Communications Commission, WT Docket No. 18-197 (May 20, 2019) ("FCC Commitment Ex Parte").
- (d) "In-Home Broadband Service" is defined as a residential broadband service with minimum speeds of 25 Mbps downlink and 3 Mbps uplink.
- (e) "Market" is defined as to advertise and offer a product or service for sale including, but not limited to, through TV, radio, Internet, digital, electronic, voice, print, mail, or in-person channels.
- (f) "Mobile Plan Price Commitments" is defined as the price commitments agreed to in section 3 of this Letter Agreement.
- (g) "Network Build Commitments" is defined as those section speed and coverage commitments identified in section 1 of this Letter Agreement.
- (h) "Rate Plans" is defined as those specific rate plans identified in sections 3(a), 3(b), and 3(c) of this Letter Agreement.

- (i) “Texas Population” is defined as the population of Texas as derived from the population data licensed through the 2016 Pitney Bowes study, which provides population at the census block level. The 2016 Pitney Bowes study is based on the 2010 Census, but then updated based on more recent information. According to the 2016 Pitney Bowes study, the Texas Population is 27,973,787. That population number is fixed for purposes of calculating compliance with these commitments as is the population per census block through which covered pops will be determined.
- (j) “Texas Rural Population” is defined as the population of Texas within rural areas derived from the population data licensed through the 2016 Pitney Bowes study, which provides population at the census block level. The 2016 Pitney Bowes study is based on the 2010 Census, but then updated based on more recent information. According to the 2016 Pitney Bowes study, the Texas Rural Population is 4,397,501. That population number is fixed for purposes of calculating compliance with these commitments as is the population per census block through which covered pops will be determined.
- (k) “Multi-state Commitments” are defined as those conditions with respect to verification, mobile rate plans and the Educational Broadband Access Program.

IT IS FURTHER UNDERSTOOD AND AGREED THAT execution of this Letter Agreement constitutes a complete and final mutual settlement and release by the OAG and the Parties of all disputes, including, but not limited to, civil claims, causes of action, restitution, disgorgement, damages, fines, costs, penalties, or attorney’s fees that were asserted or could have been asserted by the OAG or the Parties, and/or any of their Affiliates, successors, employees, shareholders, officers, directors, agents and/or assigns, individually or collectively, relating to or based on the subject matter of the SDNY Litigation.

IT IS FURTHER UNDERSTOOD AND AGREED THAT the Parties and the OAG enter into this Letter Agreement as a compromise and complete and final settlement of all pending and future claims among or between the parties, related to, the OAG’s and the Parties’ participation in the SDNY Litigation. This Letter Agreement is entered into without any trial or adjudication of any issue of fact or law or finding of liability of any kind, and nothing contained in this Letter Agreement shall be construed to limit or to restrict the Parties’ rights to use this Letter Agreement to assert and maintain the defenses of res judicata, collateral estoppel, payment, compromise and settlement, accord and satisfaction, or any other legal or equitable defense in any pending or future legal or administrative action.

IT IS FURTHER UNDERSTOOD AND AGREED THAT the OAG will, within two (2) business days of the execution of this Letter Agreement, (a) take such actions and file such motions, if any, as necessary to effect its withdrawal from the SDNY Litigation.

IT IS FURTHER UNDERSTOOD AND AGREED THAT this Letter Agreement, in its entirety, shall be conditioned upon (a) the OAG withdrawing as a party to the SDNY Litigation; (b) upon request of the DOJ, the OAG becoming a party to a complaint filed by the DOJ regarding the Merger and further joining the DOJ in any settlement of such complaint; and (c) the closing of the Merger.

IT IS FURTHER UNDERSTOOD AND AGREED THAT, notwithstanding the paragraph above, the terms of this Letter Agreement are independent of the terms of any commitments to, or conditions imposed by, the FCC and/or the DOJ. The OAG acknowledges that the Parties may be subject to enforcement of such terms by the FCC and/or the DOJ and that enforcement of such terms is not within the scope of this Letter Agreement or the authority of the OAG, unless otherwise provided in any final consent judgment entered by a federal court.

IT IS FURTHER UNDERSTOOD AND AGREED THAT nothing contained in this Letter Agreement may be taken as or construed to be an admission or concession by the Parties of any violation of law or regulation, or of any other matter of fact or law, or of any liability or wrongdoing. Neither this Letter Agreement, nor any negotiations, statements or documents related thereto, shall be offered or received in any legal or administrative proceeding or action as an admission, evidence or proof of any violation or liability under or wrongdoing in connection with any law, rule or regulation, except in an action by the OAG to enforce the terms of this Letter Agreement.

IT IS FURTHER UNDERSTOOD AND AGREED THAT this Letter Agreement is solely for the benefit of the Parties and no person or entity is intended to be a third-party beneficiary of the provision of this Letter Agreement for the purposes of any civil, criminal, or administrative action in any court or before any authority. Nor shall any person or entity be permitted to assert any claim or right as a beneficiary or protected class under this Letter Agreement. Nothing contained in this Letter Agreement shall be construed to deprive any person, corporation, association, agency, or other entity of any right provided by law, regulation, or administrative pronouncement independent of this Letter Agreement.

IT IS FURTHER UNDERSTOOD AND AGREED THAT, once fully executed, this Letter Agreement is a public document. Upon request, a copy of this document or any information in it shall be made available to any person by the Office of the Attorney General.

IT IS FURTHER UNDERSTOOD AND AGREED THAT nothing in this Letter Agreement shall be construed or used as a waiver, limitation or bar on any defense, including immunity, otherwise available to the Parties' rights to defend themselves from or make arguments in any pending or future legal or administrative action, proceeding, local or federal claim or suit, including without limitation, private individual or class action claims or suits, relating to the Parties' conduct prior to the execution of this Letter Agreement, or to the existence, subject matter, or terms of this Letter Agreement.

IT IS FURTHER UNDERSTOOD AND AGREED THAT, if any clause, provision or section of this Letter Agreement shall, for any reason, be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not effect any other clause, provision or section of this Letter Agreement, and this Letter Agreement shall be construed and enforced as if such illegal, invalid or unenforceable clause, section or provision had not been contained herein.

IT IS FURTHER UNDERSTOOD AND AGREED THAT, in the event that any statute or regulation pertaining to the subject matter of this Letter Agreement is modified, enacted, promulgated or interpreted by the Federal government or any Federal agency, such as the FCC, and a court of competent jurisdiction holds that such statute or regulation is in conflict with any provision of this Letter Agreement, Merger Parties may comply with such statute or regulation, and such action shall constitute compliance with the counterpart provision of this Letter Agreement.

IT IS FURTHER UNDERSTOOD AND AGREED THAT this Letter Agreement constitutes the entire agreement between the OAG and the Parties and supersedes any prior communication, understanding, or agreements, whether written or oral, concerning the subject matter of this Letter Agreement. This Letter Agreement may be amended or supplemented only by a written document signed by all parties or by court order.

WHEREFORE, the following signatures are affixed hereto:

A large, stylized handwritten signature in black ink, appearing to read 'MS' with a long horizontal stroke extending to the right.

G. Michael Sievert
President and Chief Operating Officer
T-Mobile US, Inc.

A handwritten signature in black ink that reads 'Ken Paxton' in a cursive script.

Ken Paxton
Attorney General
State of Texas